

Legislative Fiscal Bureau

Fiscal Note

HF 697 - Revenue Policy Bill (LSB 2570 HV)

Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.state.ia.us)

Fiscal Note Version — New

Description

Sections 36 and 37 of HF 697 decrease the insurance premium tax rate for county and state mutual insurance associations. The premium tax rate would decrease from the current rate of 2.0% to 1.0% in four annual increments of 0.25%. The first 0.25% decrease will occur with premiums collected beginning January 1, 2004.

The Bill also provides for an accelerated pre-payment of premium taxes due June 30 of each year, beginning June 30, 2003.

Fiscal Impact

The tax reduction and pre-payment provisions in Sections 36 and 37 will increase General Fund receipts in FY 2003 and FY 2004 and decrease receipts thereafter.

| HF 697 Fiscal Impact Mututal Insurance Premium Tax | | |
|---|----|-------------|
| FY 2003 | \$ | 248,084 |
| FY 2004 | \$ | 14,885 |
| FY 2005 | \$ | (161,606) |
| FY 2006 | \$ | (418,120) |
| FY 2007 | \$ | (1,383,345) |
| FY 2008 | \$ | (1,864,964) |
| FY 2009 | \$ | (1,599,598) |

Source

Mutual Insurance Association of Iowa

/s/ Dennis C Prouty

April 30, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
